



Division of Insurance

May 22, 2013

FOR IMMEDIATE RELEASE

Contact: Vincent Plymell, Communications Manager,
Colorado Division of Insurance, 303.894.2261 vincent.plymell@state.co.us

Division of Insurance Reviewing Hundreds of New Health Insurance Plans **Health Plans Must Meet New Federal Requirements for Individuals and Small Groups**

Denver – The [Colorado Division of Insurance](http://www.colorado.gov/dora) is reviewing hundreds of proposed new health insurance plans designed to offer coverage to consumers and small businesses starting January 1, 2014. The new plans must meet certain federal requirements for benefits and premiums, as outlined in the [Affordable Care Act \(ACA\)](http://www.affordablecare.gov). This includes health plans sold through [Connect for Health Colorado](http://connectforhealthcolorado.com), the state's new health insurance marketplace. It opens on October 1, 2013, offering plans that begin in 2014.

Health insurance carriers had until May 15 to submit their plans for review. A total of 17 carriers submitted a combined total of 813 health plans for the individual and small group markets. These will be sold through Connect for Health Colorado, as well as outside of the new marketplace.

"We are very encouraged by the number of health insurance carriers that want to participate in Colorado," said DOI Commissioner Jim Riesberg. "As the regulatory agency charged with ensuring a competitive marketplace for health insurance companies in Colorado, we believe that a greater number of carriers means more choice for Colorado consumers."

In the next two months, DOI staff will examine the plans to make sure they meet newly established requirements to provide essential health benefits, such as providing hospitalization, maternity and newborn care and wellness services. In addition, DOI will verify what portion of medical expenses the plans will pay, versus the consumers' out-of-pocket expenses. Based on the proportion paid, the plans will be categorized into the federally defined tiers: bronze (60% of costs paid by the plan), silver (70%), gold (80%) and platinum (90%). These percentages are referred to as "actuarial value."

A preliminary review shows that monthly premiums for the new health insurance plans vary widely, depending on what portion of medical expenses the plan will pay and what portion consumers pay in co-pays and other out-of-pocket expenses. In addition, DOI has already noticed that some of the rates have not met the new requirements, further demonstrating the importance of DOI's review.

"It's a new world for health insurance," said Commissioner Riesberg. "These will be new plans, with new premiums and new benefit packages, developed to meet new requirements."

Insurance companies must make estimates, assumptions and predictions about who will enroll and how people will use their coverage. DOI will watch for rates that seem extreme, either too high or too low. Over the next several weeks, carriers will also submit information regarding their marketing materials for these plans, along with information about their networks of doctors, hospitals and other providers. The Division will finish reviewing plans by July 31.

###

The Colorado Division of Insurance regulates the insurance industry and assists consumers and other stakeholders with insurance issues.

The Department of Regulatory Agencies (DORA) is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado.

Consumer Protection is Our Mission.